

# Public Report Sustainable Forest Management System

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CLIENT NAME: PT HARAPANJAYA MAKMUR LESTARI

TOTAL HECTARES: 5,086.44

SCOPE OF REGISTRATION: Sustainable Forest Management of 5,086.44 Hectares of Plantation Forest in Riau Province

STANDARDS/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Surveillance 1

AUDIT START DATE: May 8, 2023

AUDIT END DATE: May 10, 2023

LEAD AUDITOR: Abdullah Mujahid

AUDIT TEAM: Andri Wibisono

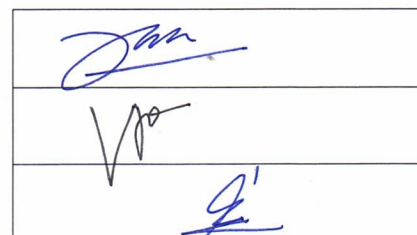
Tata Sumitra

In signing this document the Audit team confirmed that they had no involvement with the company under audit in terms of consultancy, training, direct employment etc. within the last 2 years and have no other involvement (financial, shareholding or commercial) that would constitute a Conflict of Interest

SIGNATURE:

SIGNATURE:

SIGNATURE:



MAJOR CARS: 0

MINOR CARS: 1

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED including country	DATE OF EACH SITE VISIT:
Head office	Jl. Sei Duku No. 333, Kelurahan Tanjung Rhu, Kecamatan Lima Puluh, Pekanbaru 28143, Provinsi Riau, Indonesia	May 8, 2023
Site	Kecamatan Pelalawan dan Kecamatan Teluk Meranti, Kabupaten Pelalawan, Provinsi Riau, Indonesia	May 9 to 10, 2023
SITE NAME (Legal Name):	ADDRESSES OF ADDITIONAL SITES NOT VISITED BUT STILL COVERED BY THE REGISTRATION INCLUDING COUNTRY- TO BE COMPLETED IF CLIENT IS UNDER A SITE SAMPLING AUDIT PLAN	
N/A		

#### Brief Description of the concession

PT Harapanjaya Makmur Lestari initial forest concession permit is based on Pelalawan District Head Decree No. 522.21/IUPHHKHTI/I/2003/016 dated January 31, 200., which was later amended by Decree of the Head of the Investment and One Stop Service Office of Pelalawan Regency Number 504/DPMPTSP-P3NP/V/2017/02, May 24, 2017 concerning Amendment to Pelalawan Regent Decree Number 522.21/IUPHHKHT/ I/2003/016 dated 31 January 2003 concerning the Granting of Business Permits for the Utilization of Timber Forest Products to CV Harapanjaya for an area of 4,800 ha in Pelalawan Regency. After the issuance of the Decree of the Minister of Environment and Forestry of the Republic of Indonesia Number: SK 205/Menlhk/Setjen/HPL.0/5/2021 dated 5 May 2021 concerning Determination of Work Areas for Business Permits for Utilization of Forests in Production Forests (D/H Business Permits for Utilization of Forests in Industrial Plantation Forests in the Production Forest of PT Harapanjaya Makmur Lestari, the concession area change to 5,086.44 Ha (five thousand eighty six and forty four per one hundred) in Pelalawan Regency, Riau Province. The latest decree is the Decree of the Minister of Environment and Forestry No. SK.807/Menlhk/Setjen/HPL.0/9/2021 dated 21 September 2021 concerning Business Permits for Forest Utilization (PBPH) for PT Harapanjaya Makmur Lestari with an area of 5,086.44 Ha in Pelalawan Regency, Riau Province. There was a nomenclature change from IUPHHK-HTI to PBPH. There was no conversion of natural forest into plantation forest after 31 December 2010.

The Management Unit has a long-term plan, namely the Revised RKUPHHK-HTI for the 2017 to 2026 period on behalf of PT Harapanjaya Makmur lestari in Riau Province. Based on the RKUPHHK document, Local Protected Area and Other Protected Areas of 2,706 ha (56.38%), Staple Plants Areas of 1,677 ha (34.94%) and Livelihood Plant Areas of 417 ha (8.68%). To achieve the percentage allocation of livelihood plants of at least 20%, it is fulfilled from the area of Protected Area in the form of NTFP utilization.

The geographical location of the concession is at 0°20'32" to 0°25'24" North and 102°20'28" to 102°25'44" East. It falls under the government of Teluk Meranti District, Pelalawan Regency. The area is part of Kutub River - Simpang Kanan River Forest Group. The boundaries of the working area are as follows:

- North: HPHTI Area of PT. Madukoro Lestari,
- South : PT Gemilang Cipta Nusantara Ecosystem Restoration HPH Area,
- East : PT Gemilang Cipta Nusantara Ecosystem Restoration HPH Area,
- West : HPHTI Area of PT RAPP Pelalawan Estate.

The climate condition in the concession area is type A (very wet) by Schmith and Fergusson classification system. The average annual rainfall is 2,572 mm/year with the highest rainfall of 277 mm in December and the lowest of 122 mm in June. The topography of the area is swampy lowlands with the slope are 100% flat (0-8%). The soil types based on the map of land system consists of alluvial or regosol. Meanwhile, based on USDA, the soil types in the area are Fluvaquents (alluvial or regosol), Tropaquents (Alluvial, Andosol, Regosol) and Tropohemissts (peat). The geological formation based on the Geological Map Sheet of Siak Sri Indrapura (0916) is in the Young River Alluvium formation, peat (Qh). The river crossed in the work area is Kutub River and included in the Kampar watershed. The staple plant species cultivated is *Acacia crasscarpa*.

#### Description of the socio-economic conditions of the concession and the concession's social programs

The residents around the concession of PT Harapanjaya Makmur Lestari are local communities. There are no indigenous peoples. Based on Pelalawan Regency Figures in 2023, the population of Pelalawan Regency in 2022 is 41,098 people. It consists of 212,129 male residents and 198,849 female residents spread across 12 districts with the largest population in Pangkalan Kerinci District, namely 100,599 people and the lowest population in Bunut District of 16,339 people. The assisted village by the company is spread across the Teluk Meranti Regency, namely Kuala Panduk Village and Pangkalan Terap Village.

The Management Unit has documents of Potential and Conflict Resolution Map and has carried out conflict analysis calculations based on P.5/PHPL/UHP/PHPL.1/2/2016 with conflict criteria included in the Safe Level, namely <36% with a value of 22.50%. There is no conflict in the concession partly because it is very far from community settlements around 155 -161.5 Km from the assisted village. Thus, even though there is no conflict, the company's Forestry Section continues to carry out regular patrols of the situation and condition of area and is always recorded a patrol report.

There are cooperation agreements of livelihood plant with two villages in the form of acacia plants. In addition, there is a document of the Joint Agreement (MoU) for the establishment of a Community of Fire Awareness with a village. During this Surveillance 1 Audit, there was no additional cooperation with the local community. The Management Unit has conducted data collection on communities that utilize Non-Timber Forest Products. During the period January to December 2022, there are people who seek fish from the canal within the company.

PT Harapanjaya Makmur Lestari has implemented a corporate social responsibility (CSR) program for the surrounding community. The Community Development (CD) Report of 2022 and 2023 stated that the and realization of the CD program are building materials for community market, materials for village constructions, sacks of rice and staple foods, and other aids in social fields such as health, education, infrastructure, integrated agriculture, the economy, etc. Based on the description above, The Management Unit has provided adequate support to indigenous peoples and/or local communities in terms of capacity building, economic development, development of local infrastructure and facilities.

#### Description of the Ecological conditions of the concession

PT Harapanjaya Makmur Lestari has carried out several activities for forest management that have significant impacts, conducted assessments and analysed these impacts. The environmental management and monitoring activities are an ongoing program that is carried out based on the UKL-UPL document. The scope of this environmental management and monitoring activity covers the entire concession area of PT. Harapanjaya Makmur Lestari.

PT. Harapanjaya Makmur Lestari has identified areas that function for soil protection. The areas are designated as a Local Protected Area and other Protected Areas of 2,706 ha (56.38%) consisting of KPPN/KPSL of 544 ha (9.46%) and Other Protected Areas of 2,252 ha (46.92%). These protected areas function as a place to protect the land, as well as a place to protect water, wildlife, vegetation and their ecosystem. The Management Unit complies with all regulations related to improving peat governance. There is a Peat Dome Peak area of 1,260.20 ha spread across 180.0 ha of KPPN/KPSL and Other Protected Areas of 1,080.20 ha.

The efforts of The Management Unit in the maintenance and improvement of flora and fauna habitats that are protected, endemic, rare and threatened/endangered are:

- 1) Allocation of Protected Area (Other Protected Areas and KPPN/KPSL) as determined.
- 2) The sustainability of the protected area as a habitat for flora and fauna is well maintained. This can be seen from the condition of the forest which is still like primary forest.
- 3) Vegetation monitoring plots are still exist and are maintained.
- 4) Monitoring on vegetation monitoring plots is carried out and the results are recapitulated in the RKL/RPL Implementation Report per semester.
- 5) There are Signboards in protected areas in well-maintained condition, easy to read and placed in a strategic point, such as:

- a. Protected Area Name Signboard
- b. Animal Hunting Prohibition Signboard
- c. Prohibition of burning forests and land signboard.

The Management Unit has prepared the infrastructure and human resources for pre-emptive, preventive and measurable measures to protect the forest from disturbance. Disturbance to protected areas can be caused by internal (from within the company) and external (from outside the company) factors. Internal factors are caused by the establishment of camps in and around protected/conserved areas, damage by heavy equipment and logging as a result of harvesting activities. While external factors are caused by illegal logging activities (illegal logging), encroachment (encroachment), fires, damage due to natural factors (wind), and so on.

#### Results of the Public Consultation

Prior to carrying out the Surveillance 1 Audit PT AJA Sertifikasi Indonesia conducted a public consultation starting April 6, 2023, asking stakeholders to provide feedback and information about PT Harapanjaya Makmur Lestari. The public consultation was uploaded to the PT AJA Sertifikasi Indonesia website ([www.ajaindonesia.com](http://www.ajaindonesia.com)), sent to the parties via email or postal mail, and published in local newspapers. PT AJA Sertifikasi Indonesia does not accept input from stakeholders during public consultations.

The audit team also collected information from the mass media about PT Harapanjaya Makmur Lestari. The reported cases are considered as part of the PT AJA Sertifikasi Indonesia audit process.

The Management Unit has identified all the necessary requirements for this certification process, which consist of legal aspects which include compliance with international rules and regulations and conventions. The management system has been built to cover all activities in the field of certification, which are registered for 5,086.44 certifications hectare.

#### Findings on the certified client conformity with the certification requirements and description of critical issues in relation to the conformity.

Surveillance 1 Audit 1 result of PT Harapanjaya Makmur Lestari is 1 (one) Minor non-conformity. The Management Unit has made improvements and the finding is closed.

No	Non-conformities	Corrective Action performed	Categories
1.	<p>The Temporary Storage Area (TPS) for B3 Waste were not in accordance with some requirements, such as:</p> <ul style="list-style-type: none"> <li>There was no saw dust and sand inside the storage as the spill kit.</li> <li>There is no information about the barrier between the solid and liquid waste.</li> <li>The sink for washing hands when exposed to LB3 was broken.</li> </ul> <p>Indicator I.6.6</p>	<p>The Management Unit has performed:</p> <ul style="list-style-type: none"> <li>Made LB3 checking schedules and carried out the routine checks.</li> <li>Reparation of the sink for washing hands in the LB3 TPS.</li> <li>Made a barrier between liquid and solid waste.</li> </ul>	Minor

#### Conditions under which the certificate is issued

The certificate is valid until September 10, 2025, provided that PT Harapanjaya Makmur Lestari completes all corrective actions according to the time schedule proposed in its corrective action responses and does not have the same problems at the next Surveillance visit. If the non-conformities are not closed at the next Surveillance, the certificate will be suspended until such time as AJA is able to perform a close-out visit.